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FCC BEGINS PROCEEDING ON SUNSET OF LONG DISTANCE SEPARATE AFFILIATE AND RELATED REQUIREMENTS FOR BELL COMPANIES

Washington, DC – Today, the Federal Communications Commission (FCC) began a rulemaking proceeding regarding the separate affiliate and related requirements for Bell Operating Companies (BOCs) that provide in-region, interLATA telecommunications services. More specifically, the FCC seeks comment on whether the statutory separate affiliate and related requirements of BOCs should sunset, be extended, or whether the FCC should adopt alternative safeguards.

Currently, as prescribed under the Telecommunications Act of 1996 (1996 Act) and the Commission's implementing rules, a BOC must provide in-region, interLATA telecommunications services through a separate corporate affiliate. The long distance affiliate may not jointly own transmission and switching equipment with the BOC. Also, the affiliate must post on the Internet a record of all transactions with the BOC. Additionally, the 1996 Act prescribes nondiscrimination safeguards on the BOC, such as requiring that it provide unaffiliated carriers the same goods, services, facilities, and information at the same rates, terms, and conditions that it provides its own separate affiliate.

Under section 272 of the 1996 Act, the separate affiliate and related requirements expire on a state-by-state basis three years after a BOC is authorized to provide in-region interLATA services in a particular state, "unless the Commission extends such 3-year period by rule or order." Today's action seeks comment on this issue and asks, among other things, the following:

- Whether the statutory separate affiliate and related requirements of BOCs should sunset;
- Whether, and, under what conditions the separate affiliate and related requirements established by Congress should be extended by the Commission, and, if extended, whether the Commission should adopt a nation-wide rule or proceed on a case-by-case basis; and,
- To the extent the costs of the separate affiliate and related requirements outweigh the benefits, what, if any, alternative safeguards should apply to a BOC's provision of in-region, interLATA telecommunications services.

The FCC, to date, has approved applications to provide in-region, interLATA telecommunications services in 13 states. The first sunset of section 272 would apply to Verizon's provision of long distance in New York, which will sunset in December 2002, absent further action by the Commission.

-FCC-

Docket No.: WC 02-112

Action by the Commission May 16, 2002, by Notice of Proposed Rulemaking (FCC 02-148). Chairman Powell and Commissioners, Abernathy, Copps, and Martin.

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